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June 8, 2005

HAND DELIVERY

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

**Re: Petition of MCI metro Access Transmission Services, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Farmers Telephone Cooperative, Inc., Home Telephone Company, Inc., PBT Telecom, Inc., and Hargray Telephone Company, Concerning Interconnection and Resale under the Telecommunications Act of 1996
Docket No. 2005-67-C**

Dear Mr. Terreni:

Enclosed for filing in the above-referenced matter please find an original and twenty-five (25) copies of the Surrebuttal Testimony of Douglas D. Meredith. By copy of this letter and Certificate of Service, all parties of record are being served with a copy of this testimony via hand delivery.

Please clock in a copy of the testimony and return it with our courier.

Thank you for your assistance.

Very truly yours,


M. John Bowen, Jr.

MJB,Jr./rwm
Enclosures

cc: Parties of Record

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BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
Docket No. 2005-67-C

SURREBUTTAL TESTIMONY OF DOUGLAS DUNCAN MEREDITH

Q. PLEASE STATE YOUR FULL NAME, PLACE OF EMPLOYMENT, AND BUSINESS ADDRESS.

A. My full name is Douglas Duncan Meredith. I am employed by John Staurulakis, Inc. (JSI). JSI is a telecommunications consulting firm headquartered in Seabrook, Maryland. My office is located in a suburb of Salt Lake City, Utah (547 Oakview Lane, Bountiful, Utah 84010).

Q. ARE YOU THE SAME DOUGLAS MEREDITH WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF THE FOUR RURAL INCUMBENT LOCAL EXCHANGE CARRIERS: FARMERS TELEPHONE COOPERATIVE, INC., HARGRAY TELEPHONE COMPANY, HOME TELEPHONE COMPANY, INC., AND PBT TELECOM, INC. (THE "RLECS")?

A. Yes, I am.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to respond to several things raised in Mr.
3 Darnell's Rebuttal Testimony. I feel it is necessary to respond to several issues
4 and, in particular, to correct a misstatement of fact that Mr. Darnell makes
5 throughout his testimony.

6

7 **Q. WHAT IS THE MISSTATEMENT OF FACT TO WHICH YOU REFER?**

8 A. Mr. Darnell incorrectly states that the RLECs have interconnection agreements
9 with BellSouth. (Darnell Rebuttal at 4:10-19) He then uses this misstatement of
10 fact throughout his testimony in arguing that these alleged agreements actually
11 support MCI's position. A closer inspection of Mr. Darnell's Rebuttal Exhibit 2
12 reveals that the agreements are actually between BellSouth and CLECs (in this
13 case, RLEC-affiliated CLECs) and not with the RLECs.

14 More importantly, these agreements relate to BellSouth's service area and were
15 proposed by BellSouth. Consequently, these agreements only address the
16 provisions required by BellSouth. Lastly, painting these CLECs with the same
17 brush as MCI/TWCIS is misleading because these CLECs are
18 telecommunications carriers that actually provide local exchange service directly
19 to the end user customers physically located within BellSouth's service territory,
20 as opposed to MCI, which is proposing to function as a private carrier for TWCIS.

1 **Q. IN HIS REBUTTAL TESTIMONY, MR. DARNELL DISPARAGES THE**
2 **ILLINOIS PROPOSED ORDER YOU REFERENCED IN YOUR DIRECT**
3 **TESTIMONY. WHAT IS YOUR RESPONSE?**

4 A. I disagree with Mr. Darnell's attempt to diminish the value of the Illinois
5 proposed order. The Illinois proposed order was useful to illustrate the error of
6 the Ohio order upon which MCI relies. I selected the Illinois order because it was
7 a case addressing a matter similar to that in Ohio and it specifically examined and
8 commented on the Ohio order cited by MCI. The fact that the Illinois order is a
9 proposed order is not relevant to the substance of the citation I provided. The
10 *Virgin Islands* case cited therein, which was decided by the D.C. Circuit Court,
11 establishes the guiding principles which run counter to MCI's claim.
12 Further, a recent case in Iowa expresses the same thought. (*In re Arbitration of*
13 *Sprint Communications Company, L.P. v. Ace Communications Group, et al.*,
14 Order Granting Motions to Dismiss, State of Iowa Department of Commerce
15 Utilities Board, Docket No. ARB-05-2 (issued May 26, 2005)) Both the proposed
16 Illinois order and the Iowa order reviewed the Ohio order and rejected the claim
17 made by MCI. I recommend this Commission consider the substance of the
18 matter in both the Illinois and Iowa orders and likewise reject MCI's claim.

19
20 **Q. MR. DARNELL APPEARS TO PLACE GREAT WEIGHT ON MCI'S**
21 **EFFORTS IN OTHER STATES. WHAT IS YOUR RESPONSE?**

22 A. The fact that MCI has been able to reach a negotiated agreement with four other
23 companies (Darnell Rebuttal at 9:13-17) belies two important facts. MCI has

1 agreements with only four companies; and none of these agreements have been
2 represented as arbitrated agreements. A voluntary negotiation between two
3 parties is certainly allowed under Section 252(a) of the Act; however, it does not
4 carry the gravitas of an arbitrated order because an arbitrated order must conform
5 to the standards established by the Act and FCC regulations implementing the
6 Act. (See Section 252(a)) The fact that there were voluntary negotiations
7 between MCI and the four companies does little to resolve the matters in this
8 proceeding where standards and regulations must be applied.

9

10 **Q. REGARDING LNP REQUIREMENTS, MR. DARNELL SUGGESTS**
11 **THAT THE RLECS SHOULD BE REQUIRED TO PROVIDE LNP TO**
12 **TWCIS THROUGH MCI. (DARNELL REBUTTAL AT PP. 20-22) WHAT**
13 **IS YOUR RESPONSE?**

14 A. Much of this material has been covered in my previous testimony; however, I
15 would like to respond by mentioning again the fact and apparent admission by
16 Mr. Darnell that TWCIS, and not MCI, is the VoIP provider. LNP is an
17 arrangement between the old service provider and the new service provider. In
18 this instance, MCI is not the new service provider.

19

20 **Q. MR. DARNELL ARGUES ANEW THAT THE AGREEMENT DOES NOT**
21 **NEED TO REFER TO VOIP. WHAT IS YOUR RESPONSE?**

22 A. It is now absolutely clear that the RLEC VoIP language must be included in the
23 agreement. MCI considers VoIP an enhanced service that is appropriately

1 terminated on local interconnection trunks. (Darnell Rebuttal at 25:23-24) I can
2 only infer that MCI considers the originating point of the call to be where the call
3 enters the PSTN and not the physical location of the calling party, since these
4 calls are to be terminated over the local interconnection trunks. The RLECs
5 strongly disagree. This position would allow carriers to use VoIP not simply as a
6 new and different technology but for arbitrage purposes alone (i.e., to avoid
7 appropriate intercarrier compensation charges). For example, under the existing
8 rules, a call from Denver, CO to Monks Corner, SC is subject to terminating
9 access, regardless of the technology used for delivering the call. A call from
10 Denver to Moncks Corner carried by AT&T is transported by AT&T as an IXC
11 and delivered to Home Telephone Company at Moncks Corner. This traffic is
12 subject to terminating interstate access charges. In order to be technologically
13 neutral, as required by the FCC and the Act, a call originated by a VoIP service
14 customer in Denver destined to a Home Telephone Company customer in Monks
15 Corner should be treated the same way. MCI should not be relieved of its
16 responsibility to pay terminating access, just because the call is a VoIP call and
17 entered the PSTN in Moncks Corner.

18 The RLECs must have the language stating that the originating point of the call is
19 where the calling party is physically located, which is determined by IPC location.
20 Since the regulatory treatment of VoIP must be addressed in the agreement, the
21 definition of VoIP and IPC is needed in the agreement. For the reasons I
22 expressed in my previous testimony and for the reasons expressed by the RLECs
23 in this proceeding, it is critical to establish the physical location of the called and

1 calling parties – not their NPA-NXX location or any other shorthand device – to
2 determine the nature of the call.

3

4 **Q. WHAT IS THE RLECS' POSITION WITH REPECT TO THE NEW**
5 **LANGUAGE PROPOSED BY MCI IN ITS REBUTTAL TESTIMONY**
6 **RELATED TO THE VOIP ISSUE (DARNELL REBUTTAL AT 26:10**
7 **THROUGH 27:6)?**

8 A. The RLECs could agree to MCI's proposed language, as long as MCI would
9 agree to additional language specifying that the originating point of the call is the
10 physical location of the calling party (i.e., IPC location), as opposed to where the
11 call enters the PSTN.

12

13 **Q. MCI ASSERTS THAT HARGRAY OFFERS A VOIP SERVICE THAT IS**
14 **COMPARABLE TO THAT OF TWCIS (SEE DARNELL REBUTTAL AT**
15 **21:19-21). HOW DO YOU RESPOND?**

16 A. First, it is not Hargray Telephone Company that offers the service, but a CLEC
17 affiliated with Hargray. Additionally, the CLEC offers the service directly to end
18 user customers through its own interconnection agreements, as opposed to the
19 indirect provision of service MCI proposes.

1 **Q. MR. DARNELL STATES THAT THE RLECS HAVE CONCEDED THE**
2 **APPLICATION OF THE \$0.0007 PER MINUTE RATE IN THIS CASE.**
3 **WHAT IS YOUR RESPONSE?**

4 **A.** Mr. Darnell has incorrectly characterized my testimony on this matter. I stand by
5 my testimony already provided as sufficient to rebut this mischaracterization.

6

7 **Q. DOES THIS CONCLUDE YOUR PRE-FILED SURREBUTTAL**
8 **TESTIMONY?**

9 **A.** Yes.

10

11

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

DOCKET NO. 2005-67-C

RE: Petition of MCImetro Access Transmission)
Services, LLC for Arbitration of Certain Terms)
and Conditions of Proposed Agreement with)
Farmers Telephone Cooperative, Inc., Home)
Telephone Company, Inc., PBT Telecom, Inc.,)
and Hargray Telephone Company, Concerning)
Interconnection and Resale under the)
Telecommunications Act of 1996)

**CERTIFICATE OF
SERVICE**

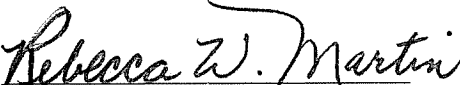
I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of the attached Surrebuttal Testimony of Douglas D. Meredith regarding the above-referenced matter on the following parties of record at the addresses listed below by causing said copy to be hand-delivered by McNair Law Firm courier.

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June 8, 2005

Columbia, South Carolina